

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

REACT PRESENTS, INC., an Illinois)
Corporation, CLUBTIX, INC., an Illinois)
Corporation, LUCAS KING and JEFFERY)
CALLAHAN,) No.
)
Plaintiffs,)
)
v.)
)
ROBERT F. X. SILLERMAN,)
)
Defendant.)

COMPLAINT

Plaintiffs, REACT PRESENTS, INC. ("React"), CLUBTIX, INC. ("Clubtix"), LUCAS KING ("King") and JEFFERY CALLAHAN ("Callahan" and collectively with React, Clubtix and King, the "React Parties"), by and through their undersigned attorneys, for their Complaint against the Defendant, ROBERT F. X. SILLERMAN ("Sillerman"), state and allege as follows:

Parties

1. React is an Illinois corporation with its principal place of business in the City of Chicago, County of Cook, State of Illinois.
2. Clubtix is an Illinois corporation with its principal place of business in the City of Chicago, County of Cook, State of Illinois.
3. King is an individual residing in the State of Illinois.
4. Callahan is an individual residing in the State of Indiana.

5. Sillerman is a citizen of the State of New York.

Jurisdiction and Venue

6. This is a civil action over which this Court has original subject matter jurisdiction pursuant to 28 U.S.C. §1332, in that the action is between citizens of different states and the amount in controversy, exclusive of interest and costs, exceeds the sum or value of \$75,000.

7. Venue is proper in this Court in that Sillerman has consented to the venue and submitted to the jurisdiction of this Court pursuant to the terms of the Guaranty described below.

Claim on Guaranty

8. On or about July 7, 2015, SFX-React Operating, LLC, a Delaware limited liability company (“SRO”) and SFX Entertainment, Inc., a Delaware corporation (“SEI”) executed a certain Subordinated Note in the principal amount of \$10,829,353.13, payable to the order of the React Parties (the “Note”). A true and accurate copy of the Note is attached hereto as Exhibit "A" and incorporated herein by reference.

9. In order to induce the React Parties to accept the Note and extend financial accommodations to SRO and SEI, Sillerman freely and voluntarily executed and delivered to the React Parties a Guaranty, pursuant to which Sillerman unconditionally, irrevocably and personally guaranteed to the React Parties payment of all amounts due under the Note, including interest and enforcement costs, up to a maximum of \$7,000,000 (the “Guaranty”). A true and accurate copy of the Guaranty is attached hereto as Exhibit "B" and incorporated herein by reference.

10. The Guaranty specifically provides in Paragraph 2 that “if default shall at any time be made by [SRO and SEI] in the payment of any [amounts due under the Note] when due..., [Sillerman] will forthwith make such payment or payments.”

11. Under the express terms of the Note, SRO and SEI were required to pay to the React Parties the sum of \$1,000,000 on or before July 21, 2015, \$2,000,000 on or before September 1, 2015, \$2,000,000 on or before November 2, 2015, and \$3,000,000 on or before January 4, 2016.

12. On November 4, 2015, SRO, SEI, Sillerman and the React Parties entered into an Amendment and Reaffirmation of Guaranty and Promissory Note ("Reaffirmation Agreement"), which extended the due date of the third installment of the Note from November 2, 2015 to December 1, 2015, and increased Sillerman's liability under the Guaranty from \$7,000,000.00 to \$7,829,353.13. A true and accurate copy of the Reaffirmation Agreement is attached hereto as Exhibit "C" and incorporated herein by reference.

13. SRO and SEI failed to make the \$3,000,000 Note payment due on January 4, 2016, and such failure has continued without cure, despite the React Parties' repeated demand for payment.

14. By written notice to SRO and SEI in accordance with the Note, the React Parties have declared the Note to be in default and the unpaid principal amount of the Note and all accrued interest thereon to be immediately due and payable. No further payments were made on the Note and the React parties obtained a judgment against SRO and SEI in the Circuit Court of Cook County, Illinois on January 13, 2016, for all amounts due under the Note, but have not received payment on said judgment.

15. By virtue of SRO and SEI's default under the Note, the React Parties have demanded that Sillerman immediately pay all amounts due under the Note in accordance with Sillerman's obligations under the Guaranty and the Reaffirmation Agreement.

16. Although the React Parties have so demanded, Sillerman has failed and refused to pay the amounts due pursuant to the Guaranty.

17. As of the date of this Complaint, Sillerman is obligated to pay the React Parties the following amounts under the Guaranty:

Unpaid and outstanding principal	\$5,829,353.13
Accrued and unpaid interest through March 29, 2016	\$137,637.10
Total	\$5,966,990.23

together with accrued interest after March 29, 2016 in the amount of \$1,619.26 per day through the date of judgment, together with the React Parties' attorneys' fees and costs of suit.

WHEREFORE, the Plaintiffs, REACT PRESENTS, INC., CLUBTIX, INC., LUCAS KING and JEFFERY CALLAHAN, respectfully request that this Court enter judgment in their favor and against the Defendant, ROBERT F. X. SILLERMAN, in the amount of \$5,966,990.23 and accrued interest at the rate of \$1,619.26 per day after March 29, 2016, through the date of judgment, and for Plaintiffs' attorneys' fees and costs of suit.

REACT PRESENTS, INC., an Illinois corporation,
CLUBTIX, INC., an Illinois corporation, LUCAS KING and JEFFERY CALLAHAN, Plaintiffs

By: /s/ Marc W. O'Brien
One of Their Attorneys

Marc W. O'Brien (ARDC# 6188500)
David A. Shapiro (ARDC# 3128208)
Bronson & Kahn LLC
150 North Wacker Drive
Suite 1400
Chicago, Illinois 60606
(312) 553-1700